

Members of Congress highlight what the Obama Administration isn't saying about the deal

WASHINGTON, DC – As the House Ways and Means Committee prepares to begin hearings on the pending free trade agreements, members of Congress spoke out today on Capitol Hill against the Korea-U.S. Free Trade Agreement, highlighting a number of issues that the Obama Administration isn't talking about in its push to pass it. Chief among them are that the deal opens the U.S. market to North Korean goods, would cost approximately 159,000 American jobs, would increase the U.S. trade deficit by more than \$13 billion by 2015, makes it easier for China to avoid tariffs by transshipping goods through Korea, and would devastate the U.S. textile industry. An audio clip of today's press conference can be downloaded and listened to [here](#).

In addition to bringing up the FTA's flawed provisions on financial services, investment, and labor standards, members of Congress also highlighted the fact that the deal benefits the North Korean economy through the Kaesong Industrial Complex and the pass-through of North Korean goods into South Korea and then the U.S. And despite recently negotiated changes to the agreement, it would reduce U.S. auto and truck tariffs and increase Korean auto imports into the U.S.

The Korea-U.S. Free Trade Agreement would also undermine the U.S. manufacturing sector, hurt the U.S. auto supply chain and open the door for Chinese auto parts to be used in U.S. and Korean cars. And, in its 2011 report, the U.S. Treasury identified South Korea as a currency manipulator.

“What we need is a new trade model that truly benefits American workers and businesses. We don't need any more tweaks around the edges and recycled talking points. This is a bad deal for our country, and the American people deserve to know the truth about this trade agreement and what it will mean for our economy, national security and the future of our manufacturing sector,” said **Rep. Mike Michaud (ME-02)**, Chairman of the House Trade Working Group.

“Our country's working families have experienced first-hand the devastation these NAFTA-style agreements have caused over the last two decades. At a time when our economy is struggling to dig out of the worst economic crisis since the Great Depression, our nation's workers cannot

afford another race to the bottom trade agreement,” said **Rep. George Miller (CA-07)**, Ranking Member, Education and Workforce Committee.

Rep. Rosa DeLauro (CT-03), Ranking Member, Labor Health and Human Services Appropriations Subcommittee, said: “The Korea Free Trade Agreement is another NAFTA-style free trade agreement that carries real risks for American workers and the U.S. economy by outsourcing more jobs, increasing our trade deficit, and giving China another country to funnel cheap products through in order to dump them on the U.S. market. Chinese products, from chicken to toys, have posed serious public health concerns, and we all know China’s unfair trade practices have cost American jobs. If we are serious about protecting American workers, creating jobs, and growing the economy, we simply cannot allow for another failed free trade agreement.”

“It is likely that the United States would be opened up to North Korean goods under the agreement’s liberal rules of origin. If we are serious about denying North Korea the cash it needs to pursue its nefarious aims, we would ensure that this free trade agreement was clear, that no North Korean goods will be allowed into the United States,” said **Congressman Brad Sherman (CA-27)**, the Ranking Democratic Member on the House Foreign Affairs Subcommittee on Terrorism Nonproliferation and Trade.

“The Korea FTA falls far short of where our trade policy should be to provide real benefits to America’s families. Instead, it’s one more item on the Wall Street Wish List that that the Republican leadership wants to ram through Congress. Wall Street loves the weak labor provisions in this Bush-negotiated agreement. It loves the investment provisions that provide incentives to build factories in Korea. We’ve seen what happens to the economy when Wall Street calls the shots, and we can’t afford to ship more jobs overseas with this bad trade agreement,” said **Rep. Linda Sánchez (CA-39)**, President’s Export Council and Co-Chair of the Labor and Working Families Caucus.

“Unfair trade deals have done enough economic damage already, and this one isn’t any better,” said **Rep. Raúl M. Grijalva (AZ-07)**, Co-Chair of the Congressional Progressive Caucus. “Since NAFTA was enacted, the U.S. trade deficit with Canada and Mexico has risen by tens of billions of dollars and the United States has lost more than five million manufacturing jobs. This isn’t the time to push through NAFTA-style deals that make the situation worse – it’s time for an American manufacturing strategy that puts our own people back to work and builds a strong American brand again.”

“Unfortunately, the Korea FTA is based on the same flawed trade model of NAFTA and CAFTA, and will undermine our manufacturing sector and open our markets to a flood of imports from countries like China that do not play by the rules,” said **Rep. Betty Sutton (OH-13)**, Vice Chair of the Populist Caucus. “The 35 percent domestic content rule is paltry at best and will create an avenue for cheap products to crowd out our auto supply sector manufacturers, limiting their ability to compete on a level playing field. Korea is also a known currency manipulator and this deal does not address the issue, leaving them free to undervalue their currency to avoid the effects of tariff cuts outlined in the FTA. Americans deserve better and demand a new model for trade, one that works for both workers and businesses alike.”

“The current Korea-U.S. Free Trade Agreement will wreak havoc on our domestic textile industry, rewarding companies that ship jobs overseas and inflating our ever growing trade deficit with communist China. I will do all I can to defeat this trade deal and work to save the jobs of the hardworking people of my district,” said **Rep. Larry Kissell (NC-08)**, Co-Chair of Textile Caucus.

Rep. Jan Schakowsky (IL-09), Chair of International Workers Rights Caucus, also attended the press conference in Washington today and stressed that the growing reliance of the U.S. on imports and a lack of industrial infrastructure has become a national security concern. She went on to say that the Korea-U.S. Free Trade Agreement would further cripple the U.S. manufacturing sector, which has already lost 6 million jobs since 1998. Last month, *Forbes* reported that the continued erosion of the U.S. manufacturing base has gotten so serious that the Director of National Intelligence has begun preparation of a National Intelligence Estimate to assess the security implications of the decline of American manufacturing.

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